



General Assembly

February Session, 2002

***Raised Bill No. 5401***

LCO No. 1316

Referred to Committee on Commerce

Introduced by:  
(CE )

***AN ACT ESTABLISHING A REVOLVING LOAN FUND FOR INITIATION  
OF PROJECTS IN THE URBAN AND INDUSTRIAL SITE  
REINVESTMENT PROGRAM.***

Be it enacted by the Senate and House of Representatives in General  
Assembly convened:

1       Section 1. (NEW) (*Effective July 1, 2002*) (a) As used in this section,  
2       "eligible industrial site investment project" and "eligible urban  
3       reinvestment project" shall have the same meaning as in section 32-9t  
4       of the general statutes, as amended, "development activities" means  
5       the acquisition, leasing, demolition, remediation, construction,  
6       renovation, expansion or other development or redevelopment of real  
7       property and improvements and "financial assistance" means  
8       extensions of credit, loans or loan guarantees or participation interests  
9       in loans.

10       (b) The Commissioner of Economic and Community Development  
11       shall provide financial assistance on a project-by-project basis for  
12       development activities of an eligible industrial site investment project  
13       or an eligible urban reinvestment project. No application for financial  
14       assistance shall be approved unless the commissioner determines that  
15       (1) the applicant cannot obtain funds needed to begin development

16 from any other sources, and (2) it is likely that the tax credits allowed  
17 under section 32-9t of the general statutes, as amended, may be  
18 assigned to another taxpayer once development activities begin. The  
19 commissioner may establish terms and conditions for financial  
20 assistance under this section, including terms and conditions for  
21 repayment of the loan with the proceeds from the assignment of tax  
22 credits except that the total value of a loan shall be less than fifty per  
23 cent of the credit allocation. Repayments on the loan shall be deposited  
24 into the urban sites remediation account established pursuant to  
25 section 2 of this act.

26       Sec. 2. (NEW ) (*Effective July 1, 2002*) There is established an account  
27 to be known as the "urban sites remediation account". The urban sites  
28 remediation account shall be an account of the General Fund.  
29 Notwithstanding any provision of the general statutes, any moneys  
30 required by law to be deposited in the account shall be deposited in  
31 the General Fund and credited to the urban sites remediation account.  
32 Any balance remaining in the account at the end of any fiscal year shall  
33 be carried forward in the account for the fiscal year next succeeding.  
34 The account shall be available to the Commissioner of Economic and  
35 Community Development for the purposes of section 1 of this act.

36       Sec. 3. Section 4-66c of the general statutes, as amended by section 1  
37 of public act 01-7 of the June special session, is repealed and the  
38 following is substituted in lieu thereof (*Effective July 1, 2002*):

39       (a) For the purposes of subsection (b) of this section, the State Bond  
40 Commission shall have power, from time to time, to authorize the  
41 issuance of bonds of the state in one or more series and in principal  
42 amounts not exceeding in the aggregate nine hundred fifty-three  
43 million six hundred ninety-five thousand nine hundred two dollars,  
44 provided one hundred forty-two million dollars of said authorization  
45 shall be effective July 1, 2002. All provisions of section 3-20, or the  
46 exercise of any right or power granted thereby, which are not  
47 inconsistent with the provisions of this section, are hereby adopted

48 and shall apply to all bonds authorized by the State Bond Commission  
49 pursuant to this section, and temporary notes in anticipation of the  
50 money to be derived from the sale of any such bonds so authorized  
51 may be issued in accordance with said section 3-20 and from time to  
52 time renewed. Such bonds shall mature at such time or times not  
53 exceeding twenty years from their respective dates as may be provided  
54 in or pursuant to the resolution or resolutions of the State Bond  
55 Commission authorizing such bonds. None of said bonds shall be  
56 authorized except upon a finding by the State Bond Commission that  
57 there has been filed with it a request for such authorization, which is  
58 signed by or on behalf of the Secretary of the Office of Policy and  
59 Management and states such terms and conditions as said commission  
60 in its discretion may require. Said bonds issued pursuant to this  
61 section shall be general obligations of the state and the full faith and  
62 credit of the state of Connecticut are pledged for the payment of the  
63 principal of and interest on said bonds as the same become due, and  
64 accordingly as part of the contract of the state with the holders of said  
65 bonds, appropriation of all amounts necessary for punctual payment  
66 of such principal and interest is hereby made, and the Treasurer shall  
67 pay such principal and interest as the same become due.

68 (b) The proceeds of the sale of said bonds, to the extent hereinafter  
69 stated, shall be used, subject to the provisions of subsections (c) and (d)  
70 of this section, for the purpose of redirecting, improving and  
71 expanding state activities which promote community conservation and  
72 development and improve the quality of life for urban residents of the  
73 state as hereinafter stated: (1) For the Department of Economic and  
74 Community Development: Economic and community development  
75 projects, including administrative costs incurred by the Department of  
76 Economic and Community Development, not exceeding eighty-one  
77 million three hundred thousand dollars, one million dollars of which  
78 shall be used for a grant to the development center program and the  
79 nonprofit business consortium deployment center approved pursuant  
80 to section 32-411 provided two million dollars of said authorization  
81 shall be effective July 1, 2002; (2) for the Department of Transportation:

82 Urban mass transit, not exceeding two million dollars; (3) for the  
83 Department of Environmental Protection: Recreation development and  
84 solid waste disposal projects, not exceeding one million nine hundred  
85 ninety-five thousand nine hundred two dollars; (4) for the Department  
86 of Social Services: Child day care projects, elderly centers, shelter  
87 facilities for victims of domestic violence, emergency shelters and  
88 related facilities for the homeless, multipurpose human resource  
89 centers and food distribution facilities, not exceeding thirty-nine  
90 million one hundred thousand dollars, provided four million dollars of  
91 said authorization shall be effective July 1, 1994; (5) for the Department  
92 of Economic and Community Development: Housing projects, not  
93 exceeding three million dollars; (6) for the Office of Policy and  
94 Management: (A) Grants-in-aid to municipalities for a pilot  
95 demonstration program to leverage private contributions for  
96 redevelopment of designated historic preservation areas, not  
97 exceeding one million dollars; (B) grants-in-aid for urban development  
98 projects including economic and community development,  
99 transportation, environmental protection, public safety, children and  
100 families and social services projects and programs, including, in the  
101 case of economic and community development projects administered  
102 on behalf of the Office of Policy and Management by the Department  
103 of Economic and Community Development, administrative costs  
104 incurred by the Department of Economic and Community  
105 Development, not exceeding eight hundred twenty-five million three  
106 hundred thousand dollars, provided one hundred forty million dollars  
107 of said authorization shall be effective July 1, 2002; and (7) for the  
108 Department of Economic and Community Development: Loans under  
109 section 1 of this act. Five million dollars of the grants-in-aid authorized  
110 in subparagraph (B) of subdivision (6) of this subsection may be made  
111 available to private nonprofit organizations for the purposes described  
112 in said subparagraph (B). Five million dollars of the grants-in-aid  
113 authorized in subparagraph (B) of subdivision (6) of this subsection  
114 may be made available for necessary renovations and improvements of  
115 libraries.

116 (c) Any proceeds from the sale of bonds authorized pursuant to  
117 subsections (a) and (b) of this section or of temporary notes issued in  
118 anticipation of the moneys to be derived from the sale of such bonds  
119 may be used to fund grants-in-aid to municipalities or the grant-in-aid  
120 programs of said departments, including, but not limited to, financial  
121 assistance and expenses authorized under chapters 128, 129, 130, 133,  
122 136 and 298, and section 16a-40a, provided any such program shall be  
123 implemented in an eligible municipality or is for projects in other  
124 municipalities which the State Bond Commission determines will help  
125 to meet the goals set forth in section 4-66b. For the purposes of this  
126 section, "eligible municipality" means a municipality which is  
127 economically distressed within the meaning of subsection (b) of section  
128 32-9p, which is classified as an urban center in any plan adopted by the  
129 General Assembly pursuant to section 16a-30, which is classified as a  
130 public investment community within the meaning of subdivision (9) of  
131 subsection (a) of section 7-545, or in which the State Bond Commission  
132 determines that the project in question will help meet the goals set  
133 forth in section 4-66b.

134 (d) Any economic development project eligible for assistance under  
135 this section may include but not be limited to: (1) The construction or  
136 rehabilitation of commercial, industrial and mixed use structures; and  
137 (2) the construction, reconstruction or repair of roads, accessways and  
138 other site improvements. The state, acting by and in the discretion of  
139 the Commissioner of Economic and Community Development, may  
140 enter into a contract for state financial assistance for any eligible  
141 economic or community development project in the form of a grant-in-  
142 aid. Any grant-in-aid shall be in an amount not in excess of the cost of  
143 the project for which the grant is made as determined and approved  
144 by the Commissioner of Economic and Community Development.  
145 Before entering into a grant-in-aid contract the Commissioner of  
146 Economic and Community Development shall have approved an  
147 application submitted on forms provided by the commissioner. No  
148 project shall be undertaken until the Commissioner of Economic and  
149 Community Development approves the plans, specifications and

150 estimated costs. The commissioner may adopt such regulations, in  
151 accordance with chapter 54, as are necessary for the implementation of  
152 this section.

153 (e) Notwithstanding any provision of the general statutes to the  
154 contrary, whenever the Department of Economic and Community  
155 Development or the Office of Policy and Management is authorized by  
156 the general statutes to assess, collect or fund administrative expenses  
157 or service charges or otherwise recover costs or expenses incurred by  
158 the state in carrying out the provisions of any economic or community  
159 development project or program administered by the Department of  
160 Economic and Community Development, except in the case of  
161 administrative oversight charges described in section 8-37tt amounts  
162 so assessed, collected or funded by the state may be used to pay any  
163 administrative expenses of the Department of Economic and  
164 Community Development and shall not be required to be used to pay  
165 expenses related to a particular project or program.

This act shall take effect as follows:	
Section 1	<i>July 1, 2002</i>
Sec. 2	<i>July 1, 2002</i>
Sec. 3	<i>July 1, 2002</i>

***Statement of Purpose:***

To provide loans to developers to finance the initial phase of projects approved for tax credits under the Urban and Industrial Sites Reinvestment Program and to allow repayment with the proceeds from assignment of tax credit.

*[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]*